

§ 40.1

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APPENDIX A TO PART 40—GUIDELINE NO. 1

APPENDIX B TO PART 40—SCHEDULE OF FEES

APPENDIX C TO PART 40—INFORMATION THAT A FOREIGN BOARD OF TRADE SHOULD SUBMIT WHEN SEEKING NO-ACTION RELIEF TO OFFER AND SELL, TO PERSONS LOCATED IN THE UNITED STATES, A FUTURES CONTRACT ON A FOREIGN SECURITIES INDEX TRADED ON THAT FOREIGN BOARD OF TRADE

AUTHORITY: 7 U.S.C. 1a, 2, 5, 6, 6c, 7, 7a, 8 and 12a, as amended by the Commodity Futures Modernization Act of 2000, Appendix E of Pub. L. No. 106-554, 114 Stat. 2763 (2000).

SOURCE: 66 FR 42283, Aug. 10, 2001, unless otherwise noted.

§ 40.1 Definitions.

As used in this part:

Dormant contract means any commodity futures or option contract or other instrument in which no trading has occurred in any future or option expiration for a period of six complete calendar months; provided, however, no contract or instrument shall be considered to be dormant until the end of sixty complete calendar months following initial listing.

Emergency means any occurrence or circumstance which, in the opinion of the governing board of the contract market or derivatives transaction execution facility, requires immediate action and threatens or may threaten such things as the fair and orderly trading in, or the liquidation of or delivery pursuant to, any agreements, contracts or transactions on such a trading facility, including any manipulative or attempted manipulative activity; any actual, attempted, or threatened corner, squeeze, congestion, or undue concentration of positions; any circumstances which may materially affect the performance of agreements, contracts or transactions traded on the trading facility, including

failure of the payment system or the bankruptcy or insolvency of any participant; any action taken by any governmental body, or any other board of trade, market or facility which may have a direct impact on trading on the trading facility; and any other circumstance which may have a severe, adverse effect upon the functioning of a designated contract market or derivatives transaction execution facility.

Rule means any constitutional provision, article of incorporation, bylaw, rule, regulation, resolution, interpretation, stated policy, term and condition, trading protocol, agreement or instrument corresponding thereto, in whatever form adopted, and any amendment or addition thereto or repeal thereof, made or issued by a contract market, derivatives transaction execution facility or derivatives clearing organization or by the governing board thereof or any committee thereof.

Terms and conditions mean any definition of the trading unit or the specific commodity underlying a contract for the future delivery of a commodity or commodity option contract, specification of settlement or delivery standards and procedures, and establishment of buyers' and sellers' rights and obligations under the contract. Terms and conditions include provisions relating to the following:

- (1) Quality or quantity standards for a commodity and any applicable premiums or discounts;
- (2) Trading hours, trading months and the listing of contracts;
- (3) Minimum and maximum price limits and the establishment of settlement prices;
- (4) Position limits and position reporting requirements;
- (5) Delivery points and locational price differentials;
- (6) Delivery standards and procedures, including alternatives to delivery and applicable penalties or sanctions for failure to perform;
- (7) Settlement of the contract; and
- (8) Payment or collection of commodity option premiums or margins.